

## Message Text

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60

ACTION NEA-10

INFO OCT-01 ARA-06 EUR-12 EA-07 ISO-00 FEA-01 AGR-05

CEA-01 CIAE-00 COME-00 DODE-00 EB-07 FRB-03 H-02

INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 STR-04 TAR-01 TRSE-00 USIA-06 PRS-01

SP-02 OMB-01 IO-10 /126 W

----- 094928

R 131020Z SEP 75

FM AMEMBASSY ALGIERS

TO SECSTATE WASHDC 3048

INFO AMEMBASSY BONN

AMEMBASSY BERN

AMEMBASSY BRASILIA

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS

AMEMBASSY CARACAS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY JIDDA

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MOSCOW

USMISSION NATO BRUSSELS

AMEMBASSY NEW DELHI

USMISSION OECD PARIS

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY TEHRAN

AMEMBASSY THE HAGUE

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E.O. 11652: GDS

TAGS: ENRG, PFOR, AG

SUBJECT: ALGERIAN POSITIONS ON PREPCON ISSUES

1. SUMMARY: MINISTER OF INDUSTRY AND ENERGY, ABDESSELAM, STRESSED TO ME SEPT. 12 THAT ALGERIA WISHED TO SEE SUBSTANTIVE DISCUSSION OF FINANCIAL AND MONETARY ISSUES AT PRODUCER/CONSUMER CONFERENCE. ALGERIAN AND SAUDI POSITIONS ARE IN ACCORD ON THIS SUBJECT. ALGERIA PREPARED TO BE FLEXIBLE ON PROCEDURAL ISSUES RE OBSERVER STATUS FOR IEA AND ROLE OF FOUR COMMISSION. END SUMMARY.

2. DURING SEPT. 12 MEETING WITH MINISTER OF INDUSTRY AND ENERGY ABDESSELAM, HE RAISED SUBJECT OF UPCOMING PREPCON SESSION. I ASKED HIM WHERE IT STOOD. HE SAID HE BELIEVED ALL COUNTRIES INVOLVED HAD BEEN CONSULTED AND THAT THERE WERE NO MAJOR OBSTACLES TO CONVENING MEETING.

3. I SAID WE GATHERED QUESTION OF 4TH COMMISSION STILL UP IN AIR AS OF LAST WEEK. HE SAID THIS WAS ALSO HIS UNDERSTANDING. ALGERIA PREPARED TO TALK WITH INDUSTRIALIZED COUNTRIES BUT IT COULD NOT IGNORE FINANCIAL ISSUES. ALGERIA HAD NO INTENTION OF INFRINGING ON INTERESTS OF IMF OR IBRD, BUT MONETARY AND FINANCIAL ISSUES WERE CLEARLY PART OF "THE MAJOR PROBLEM" AND COULD NOT BE EXCLUDED. ANOTHER FORUM WAS NEEDED THAT COULD ALSO LOOK AT THESE ISSUES. ABDESSELAM STRESSED THAT ALGERIA DID NOT WANT TO IMPOSE ITS VIEWS ON OTHERS RE THIS QUESTION BUT NEITHER WAS IT PREPARED TO SEE ITS OWN VIEWS IGNORED. IT WAS NOT A QUESTION OF RAISING THE FLAG OF MONETARY REFORM AND ATTACKING ESTABLISHED INSTITUTIONS, BUT OF FINDING SOLUTIONS FOR MONETARY ISSUES. ALL OF SUBJECTS TO BE DISCUSSED AT THE CONFERENCE HAD INTIMATELY RELATED MONETARY ASPECTS, AND THERE WERE ALSO MONETARY ISSUES THAT COULD BE DISCUSSED SEPARATELY.

4. ABDESSELAM NOTED THAT HE HAD MET WITH VISITING SAUDI PETROLEUM MINISTER YAMANI, SEP. 11. YAMANI HAD CONFIRMED

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SAUDI ARABIA'S DESIRE TO INCLUDE DISCUSSION OF MONETARY ISSUES IN THE WORK OF THE CONFERENCE. ALGERIAN AND SAUDI POSITIONS WERE IN ACCORD.

5. ABDESSELAM ADDED THAT WE WERE AT A CROSSROADS OF WORLD AFFAIRS, AND NEEDED TO STOP AND REFLECT ON THE POSSIBILITIES OFFERED BY THIS NEW FORUM FOR DISCUSSION. WHY HAVE CONFERENCE AT ALL IF WE COULD NOT DISCUSS MAJOR PROBLEMS

OF THE WORLD TODAY? WE COULD NOT EXCLUDE ONE SUBJECT OR ANOTHER FROM DISCUSSION.

6. ABDESSELAM ADDED THAT HE GATHERED US WAS STRONGEST OPPONENT OF DISCUSSION OF FINANCIAL ISSUES. US APPEARED BY TRYING TO KEEP DISCUSSION CONFINED TO ENERGY ISSUES, AND TO BE USING OTHER COMMISSIONS AS CLOAK TO CONCEAL THIS FACT. (HE SMILED AS HE SAID THIS.) ALTHOUGH HE COULD NOT FORECAST SHAPE OF SOLUTION TO MONETARY PROBLEMS AT THIS POINT, NATIONS COULD MEET AND SUCCEED IN RESOLVING THEM. ALGERIA WAS READY TO COME TO THE CONFERENCE IN SPIRIT OF COOPERATION, ABDESSELAM SAID, AND WOULD NOT PLACE ANY SINE QUA NONS ON ITS PARTICIPATION, BUT NEITHER WOULD IT PERMIT OTHERS TO IMPOSE SINE QUA NONS.

7. ON QUESTION OF CRITERIA FOR SELECTION OF REMAINING 17 MEMBERS, ABDESSELAM SAID ALGERIA'S MAIN CONCERN WAS THAT THERE BE NO OBLIGATORY OR DEFINITIVE CRITERIA ESTABLISHED WHICH WOULD BIND EITHER GROUP OF PARTICIPANTS AT PREPCON. EACH GROUP MUST HAVE THE LAST WORD AND MUST BE FREE TO CHOOSE. IN PARTICULAR, THEY DID NOT WANT DCS IMPOSING CRITERIA ON LDCS. WE DO NOT WANT OUR CHOICES TO BE OPEN TO QUESTION LATER, ABDESSELAM SAID.

8. ON QUESTION OBSERVERS, ABDESSELAM SAID FRENCH HAD PROPOSED THAT OBSERVERS SIT BEHIND SOME NEUTRAL PLAQUE, SUCH AS OECD, AT PREPCON, AND THAT THEY NOT SPEAK. THIS AGREEABLE TO ALGERIA. AT PENARY, UN WOULD BE ONLY LOGICAL OBSERVER, BUT ALGERIANS WOULD NOT OBJECT TO PRESENCE OF OTHERS, SUCH AS IEA, OPEC, ETC. ALGERIA WOULD NOT RAISE ANY PROBLEMS RE OBSERVERS, PROVIDED THERE WAS NO CONFRONTATION AS THERE HAD BEEN AT PARIS LAST SPRING. (MENTION OF WORD CONFRONTATION TURNED ABDESSELAM ASIDE FOR CONFIDENTIAL

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A MOMENT. HE COMMENTED THAT WHILE SECRETARY KISSINGER NOW SEEMED MORE WILLING NOW TO LISTEN TO THE PROBLEMS OF THE 3RD WORLD, HE STILL THOUGHT IN TERMS OF CONFRONTATION WITH OPEC, AS INDICATED BY HIS SPEECH FOR UN.)

9. COMMENT: TONE OF ABDESSELAM'S REMARKS WAS ONE OF MODERATION. HIS MESSAGE CLEARLY WAS THAT ALGERIA DID NOT WANT SEE PREPCON FOUNDER ON PROCEDURAL ISSUES, REGARDING EITHER ROLE OF FOURTH COMMISSION OR OF OBSERVER STATUS FOR IEA. ALGERIA, HOWEVER, HAS CLEARLY DECIDED TO PRESS FOR FULL SUBSTANTIVE DISCUSSION OF MONETARY AND FINANCIAL ISSUES IN ALL FOUR COMMISSIONS, AND WILL INSIST THAT INDUSTRIALIZED NATIONS NOT ATTEMPT TO INFLUENCE CHOICE OF REMAINING OPEC AND LDC PARTICIPANTS. PARKER

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## Message Attributes

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06 JUL 2006

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